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**Understanding paternalistic leadership: a guide for managers considering foreign assignments**

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## Understanding paternalistic leadership: a guide for managers considering foreign assignments

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Many leadership theories currently competing for our attention – for example, authentic leadership, transformational leadership and servant leadership – are familiar models to anyone educated in a business institution that, broadly speaking, follows a Western curriculum. However, as managers who do business globally can attest, human interaction and relations, and especially leadership, are directly linked to culture and cultural expectations. What works for a leader depends to a large extent on his or her organization's cultural context. For instance, in Scandinavian countries, leaders act more as facilitators, yet in Arab countries leaders are expected to make all decisions, give orders and be obeyed. One of the best known researchers into such national differences in their norms of leadership and followership, Geert Hofstede, identified six dimensions: Power Distance (how power is distributed), Uncertainty Avoidance, Individualism/Collectivism, Masculinity/Femininity, Long/Short Term Orientation and Indulgence/Restraint. All of these are relevant to managers from outside the culture seeking to appreciate its particular expectation of what makes a good leader and a good follower. Failure to recognize how these dimensions determine an organization's normative behavior will undoubtedly lead to misunderstandings, and perhaps to conflict and poor performance.

### Paternalistic leadership

Paternalistic leadership, a father-like style with variations adapted to many different cultures, is performed and expected in many countries across the world. The lack of discussion focusing on paternalistic leadership in the West is remarkable given that this style of leadership is prevalent from Africa to Asia and from Latin America to the Middle East. It is not that paternalistic leadership is the same in all non-Western contexts, but rather, in those countries, leaders tend to have some common

characteristics, though they are also deeply influenced by local cultural norms. While any generalizations about leadership and culture risk promoting clichés, research has found a few notable common characteristics. For instance, in China, paternalistic leadership is influenced by the idea of Confucianism and Daoism, which evidences as “a fatherlike leadership style in which clear and strong authority is combined with concern and considerateness and elements of moral leadership.... Elements of this leadership style have also been found to be pervasive in other Asian societies....”<sup>1</sup>

Because of the prevalence of this parental style of leadership in Asia, Africa, Middle East and Latin America, it is essential for people who plan to move abroad to work, or Western-trained managers and consultants establishing international joint ventures, to be familiar with it and be prepared to respond appropriately.

Paternalistic leadership is sometimes misunderstood in the West, where it is quite often described as a benevolent dictatorship, a definition that doesn’t do justice to the many forms it takes.<sup>2</sup> Many problems arise when managers trained in Western business practices first work abroad and encounter a style of leadership heavily influenced by paternalistic norms and based on unreserved deference to authority.

### **Cultural acceptance of power distribution**

Paternalistic leadership tends to be more prominent in societies where “power distance,” one of the cultural dimension identified by Hofstede,<sup>3</sup> scores high, such as in China or sub-Saharan Africa. A high score in the power distance measure indicates that the culture tends to accept the unequal distribution of power in society more easily. Paternalistic leadership is based on the assumption that the leader knows best and should take almost all the decisions without conferring with subordinates. A paternalistic leader may control the smallest of decisions, such as who sits where in the office. Subordinates should not be surprised when they are not only told what to do but also how to do it.

### **What are the norms of paternalistic leadership?**

Paternalistic leaders traditionally tended to be -- and were expected to be -- older and male. Today, the situation is changing in some countries, and a few women have become matriarchal leaders.

Prominent examples of paternalistic business leaders include Dhirubhai Ambani, an Indian business tycoon and founder of Reliance Industries; Sir Li Ka-Shing, a Hong Kong business magnate and one of the richest men in the world and Silvio Berlusconi, an Italian businessman turned politician. For Americans, a historical example most are familiar with is Henry Ford.

At some global companies like Samsung and Hyundai, "Paternalistic management...is a pre-industrial form of authority that has been coopted by the modern, industrial organization and codified as an element of the formal structure."<sup>4</sup>

Despite the success of these and other examples, opinions differ strongly about the effectiveness of paternalistic leadership. Does it inhibit innovation, or foster nepotism? Or does it promote sustainability and effective decision making? Some argue that paternalistic leadership cannot be separated from its social context. In cultures where leaders are expected to make all decisions, followers would be confused if they themselves were suddenly empowered to take decisions and likely would perceive their leaders as incapable of being decisive.

Paternalistic leadership may offer some advantages that contribute to the success of the organization, for example in the event of sudden change. When loyalty towards the leader and the organization is high and orders are not questioned or differed, decisions can be implemented at top speed.

**The characteristics of a paternalistic leader are:**

- Father-like figure.
- Authoritarian style of leadership.
- The only real decision-maker.
- The power center of the organization.
- The nexus of the organization's information system.
- Demands loyalty above all else.
- Creates a family-like working environment.

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3 Some paternalistic leaders foster a working culture that resembles a family where  
4 good manners and positive attitudes should be shown toward other members of the  
5 organization.<sup>5</sup> Other paternalistic leaders tend to be more obviously authoritarian,  
6 and they want it to be accepted that they know best and have everyone's best  
7 interests at heart. By the nature of the leadership style, when subordinates/followers  
8 are told what to do they are expected not to ask for explanations and to assume  
9 there is a valid reason why things happen the way they do.  
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16 Most employees in non-Western societies expect this type of leadership style, but  
17 employees coming from an Anglo-Saxon cultural background will likely have some  
18 difficulty adjusting to one where proximity to and social relationships with the leader  
19 determine access to the information needed to do one's job effectively.  
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24 For example, American or German business managers may be accustomed to  
25 having a clear barrier between personal and professional life. An Australian manager  
26 may see a looser line between business and socializing. But in most non-Western  
27 societies, a clear separation between personal and professional life is neither  
28 expected nor desirable. Under paternalistic leadership, there is an expectation or  
29 rather an obligation that leaders will take an interest in the personal life of their  
30 subordinates, even mediating in family issues such as marital problems. The nature  
31 of this approach is based on most traditional organizations being or having been a  
32 family business where it has been virtually impossible to distinguish the family from  
33 the business. Such a business has not only been set up to create a profit but also to  
34 provide employment to the family members. Consequently, any person who enters  
35 the business is, in a way, entering the family and often is even invited to family  
36 gatherings.  
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47 In paternalistic organizations subordinates should always consult their leaders' views  
48 and opinions on both professional and private issues and their decisions on such  
49 matters are quite often final. An example of this comes from an organization based in  
50 the Middle East, where one of the employees, who works in sales, first asks for the  
51 explicit approval of the leader to enrol in an MBA course, but also asks the leader  
52 which academic specialization he should follow within the program -- for example,  
53 marketing, finance or entrepreneurship. The leader suggests a specialization and the  
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employee studies what his leader has “suggested” without questioning its appropriateness.

### **The centrality of loyalty**

Loyalty is at the center of this style of leadership, and quite often, leaders tend to value this quality even above competence. Consequently, it is not uncommon for promotion to be based on an employee’s loyalty or family ties to the leader rather than personal performance.

Loyalty is tested when a fellow manager is at risk of losing face. This happens when a person is put on the spot for a mistake that he or she has made, or when their faults and shortcomings are discussed openly. This is a big no-no in paternalistic organizations, where employees who make mistakes will provide implausible or even ridiculous excuses to avoid admitting mistakes or not delivering on responsibilities.

Within paternalistic organizations technical competence is often seen to be secondary in importance to loyalty. In this environment, if the leader is not able to adequately judge technical competence, putting someone on the spot for a mistake in front of the boss is the perfect recipe for making a lifetime enemy. Recent hires should restrain from criticism of others or the organization until they are able to understand the working dynamics of how criticism can be managed without making it public.

Paternalistic leaders should not be openly defied or contradicted, especially in front of others, even if leaders are patently wrong. While this is true in many companies in Western countries too, there are also many examples of Western firms that routinely air their disagreements vociferously in meetings. In practice, in paternalistic cultures followers would be wise never to publically vent their grievances or complaints about their co-workers in other departments. It may be acceptable to talk about problems but not to single out the group that has made mistakes.

#### **Look for an alternate conduit for dissenting opinion**

A British senior manager who was recruited to modernize operations in a Middle Eastern bank recounts his experience dealing with conflict in a paternalistic culture:

“While you do not contradict the paternalistic leader, there are channels to voice your opinions and initiate change. The most common way is at the Majlis, a private room used to entertain guests. Sheiks -- tribal leaders -- regularly welcome unscheduled visitors to their Majlis to hear concerns and requests. I would try meeting the Sheik who oversaw the bank at his Majlis if I had a grievance. Information from these meetings was likely to travel up the hierarchy to the Supreme Council and eventually to the Sultan. All big decisions both business and political are made in the Majlis.”

### How to work with a paternalistic leader

- An individual's loyalty is of the utmost importance and every effort should be taken to ensure that it cannot be questioned. Open praise and acknowledgment of the significant actions of the leader should be displayed.
- Never criticize the leader. Never say anything negative about them to other co-workers. No matter how close you feel towards colleagues, people will report criticism to the leader, if for nothing else than to show loyalty.
- Treat everyone with the utmost respect. You never really know exactly who might be part of the inner circle, connected to the extended family of the leader or who might have a direct line to him.
- Expect unexpected issues – such as family ties, personality quirks, risks of losing face -- to determine business decisions, and you will never be surprised.

Given the interconnectedness of global business and associated social and cultures change, behaviors of paternalistic leaders and their followers are likely to evolve. One of the central issues for many societies is the increasing role of women as leaders.<sup>6</sup> This social shift will have inexorable consequences in paternalistic leadership and organizations as conflicts arise between perceptions about gender and the qualities of effective leaders.<sup>7</sup>

Western managers considering a foreign assignment should be aware that paternalistic leadership in sub-Saharan Africa is not the same as that in China or South America, but this guide outlines some shared commonalities resulting from the central role of the leader and the way power is distributed in the organization.

### Hofstede's dimensions of an individual organization's culture

In a globally connect world, some businesses in countries where a paternalistic leadership is common may vary from that organizational culture in significant ways.



Practitioners seeking insights into the cultures of individual foreign organizations could organize their information search using six dimensions identified by noted cultural researcher Geert Hofstede:

- 1. Process-oriented versus results-oriented.** Process-oriented cultures are dominated by technical and bureaucratic routines, results oriented by a common concern for outcomes.
- 2. Job-oriented versus employee-oriented.** The former assume responsibility for the employees' job performance only, and nothing more; employee-oriented cultures assume a broad responsibility for their members' wellbeing.
- 3. Professional versus parochial.** In the former, the (usually highly educated) members identify primarily with their profession; in the latter, the members derive their identity from the organization for which they work.
- 4. Open systems versus closed systems.** This refers to the common style of internal and external communication, and to the ease with which outsiders and newcomers are admitted.
- 5. Tight versus loose control.** This refers to the degree of formality and punctuality within the organization.
- 6. Pragmatic versus normative.** This describes the prevailing way (flexible or rigid) of dealing with the environment, in particular with customers. <sup>8</sup>

[Quotes]

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“Paternalistic leaders tend to be more obviously authoritarian, and they want it to be accepted that they know best and have everyone's best interests at heart.”

“Under paternalistic leadership, there is an expectation or rather an obligation that leaders will take an interest in the personal life of their subordinates, even mediating in family issues such as marital problems.”

“In practice in paternalistic cultures, followers would be wise never to assign blame or publically vent their grievances over actions by their peers.”

Notes

<sup>1</sup>Jiing-Lih Farh and Bor-Shiuan Cheng, (2000) “A Cultural Analysis of Paternalistic Leadership in Chinese Organizations,” pp 84-127 in Li J.T., Tsui A.S., Weldon E. (eds) *Management and Organizations in the Chinese Context* (Palgrave McMillan).

<sup>2</sup> Northouse, P.G. (1997), *Leadership: Theory and Practice*, (Sage, Thousand Oaks, California).

<sup>3</sup> Hofstede, G., (1980), *Culture's Consequences: International Differences in Work-Related Values*. (Beverly Hills, CA., Sage). 2nd edition (2001), *Culture's consequences: Comparing values, behaviors, institutions and organizations across nations*, (Sage, Thousand Oaks, CA).

<sup>4</sup> Kragh, S. U., (2012) "The anthropology of nepotism: Social distance and reciprocity in organizations in developing countries," *International Journal of Cross Cultural Management*, Sage.

<sup>5</sup> Aycan, Z. (2006), "Paternalism: towards conceptual refinement and operationalization," in Yang, K.S., Hwang, K.K. and Kim, U. (Eds.), *Scientific Advances in Indigenous Psychologies: Empirical, Philosophical and Cultural Contributions*, pp. 445–466, (Cambridge University Press, Cambridge)

<sup>6</sup> Sposato, M. & Rumens, N. (2018), "Advancing international human resource management scholarship on paternalistic leadership and gender: the role of postcolonial feminism," *International Journal of Human Resource Management*, ISSN 0958-5192 (Accepted/In press).

<sup>7</sup> Sposato, M. (2016) "*Female Leadership in Hong Kong*," Doctoral dissertation, Middlesex University.

<sup>8</sup> The research grounding of these dimensions is documented extensively in Hofstede, G., Neuijen, B., Ohayv, D. D. & Sanders, G. (1990), "Measuring organizational cultures: A qualitative and quantitative study across twenty cases," *Administrative Science Quarterly*, 35, 286-316. Applications and implications can be found in Hofstede, G., Hofstede, G. J. & Minkov, M. (2010), *Cultures and Organizations: Software of the Mind* (Rev. 3rd ed.), New York: McGraw-Hill.